

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY	
WOLLMUTH MAHER & DEUTSCH LLP Paul R. DeFilippo, Esq. 500 Fifth Avenue New York, New York 10110 Telephone: (212) 382-3300 Facsimile: (212) 382-0050 pdefilippo@wmd-law.com JONES DAY Gregory M. Gordon, Esq. Brad B. Erens, Esq. Dan B. Prieto, Esq. Amanda Rush, Esq. 2727 N. Harwood Street Dallas, Texas 75201 Telephone: (214) 220-3939 Facsimile: (214) 969-5100 gmgordon@jonesday.com bberens@jonesday.com dbprieto@jonesday.com asrush@jonesday.com (Admitted <i>pro hac vice</i>) <i>ATTORNEYS FOR DEBTOR</i>	BLAKE, CASSELS & GRAYDON LLP Linc Rogers 199 Bay Street, Suite 4000 Toronto, Ontario M5L 1A9 Telephone: 416-863-2400 Fax: 416-863-2653 Email: linc.rogers@blakes.com <i>SPECIAL COUNSEL TO DEBTOR</i>
In re: LTL MANAGEMENT LLC, ¹ Debtor.	Chapter 11 Case No.: 23-12825 (MBK) Judge: Michael B. Kaplan Hearing Date: October 18, 2023

**SUMMARY COVER SHEET AND STATEMENT FOR
FINAL FEE APPLICATION OF BLAKE, CASSELS & GRAYDON LLP
FOR ALLOWANCE OF FEES AND REIMBURSEMENT OF EXPENSES
INCURRED AS SPECIAL COUNSEL TO THE DEBTOR
FOR THE PERIOD FROM APRIL 5, 2023 THROUGH AUGUST 11, 2023**

**SECTION I
FEE SUMMARY**

¹ The last four digits of the Debtor's taxpayer identification number are 6622. The Debtor's address is 501 George Street, New Brunswick, New Jersey 08933.

☐ Interim Fee Application No. _____ or ☒ Final Fee Application

Summary of Amounts Requested for the Period from April 5, 2023 through August 11, 2023 (the “Final Statement Period”).

	<u>FEES (CAD)</u>	<u>EXPENSES (CAD)</u>
Total Previously Requested:	<u>\$295,207.00</u>	<u>\$1,260.00</u>
Total Allowed to Date:	<u>\$0.00</u>	<u>\$0.00</u>
Total Retainer (If Applicable):	<u>\$258,133.54</u>	<u>N/A</u>
Total Holdback (If Applicable):	<u>\$59,041.40</u>	<u>N/A</u>
Total Received by Applicant ² :	<u>\$256,873.54</u>	<u>\$1,260.00</u>

Fee Total: **CAD \$295,207.00**

Disbursement Total: **CAD \$1,260.00**

Total Fee Application: **CAD \$296,467.00**

² Blakes has completed its reconciliation of prepetition fees and expenses actually incurred for services provided to the Debtor for the period prior to the Petition Date and has made a corresponding adjustment to the amount of the retainer. The amount of the retainer is CAD \$258,133.54. Blakes will apply the retainer to the amounts incurred during the Final Statement Period pursuant to the Compensation Order (as defined in the application).

TIMEKEEPER SUMMARY

Name of Professional & Title	Year Admitted	Hours	Rate	Fees (CAD)
Gordon McKee Partner, Litigation & Dispute Resolution (Toronto)	1988	21.6	\$1,070.00	\$23,112.00
Linc Rogers Partner, Restructuring & Insolvency (Toronto)	2000	120.7	\$913.00	\$110,199.10
Robin Reinertson Partner, Litigation & Dispute Resolution (Vancouver)	2005	0.1	\$800.00	\$80.00
Karine Russell Partner, Litigation & Dispute Resolution (Vancouver)	2009	10.8	\$675.00	\$7,290.00
Jessica Lam Partner, Litigation & Dispute Resolution (Toronto)	2014	0.2	\$749.00	\$149.80
Caitlin McIntyre Associate, Restructuring & Insolvency (Toronto)	2017	86.7	\$664.00	\$57,568.80
Alexia Parente Associate, Restructuring & Insolvency (Toronto)	2021	93.7	\$537.00	\$50,316.90
Jake Harris Associate, Restructuring & Insolvency (Toronto)	2022	3.7	\$590.00	\$2,183.00
Konrad Spurek Associate, Litigation & Dispute Resolution (Vancouver)	2022	7.1	\$365.00	\$2,591.50
Christopher Keliher Associate, Restructuring & Insolvency (Calgary)	2023	14.3	\$476.00	\$6,806.80

Name of Professional & Title	Year Admitted	Hours	Rate	Fees (CAD)
Thomas Barker Articling Student (Litigation & Dispute Resolution (Vancouver))	N/A	0.9	\$282.00	\$253.80
Kevin Wu Articling Student, Restructuring & Insolvency (Toronto)	N/A	28.3	\$299.00	\$8,461.70
Nancy Thompson Paralegal, Restructuring & Insolvency (Toronto)	N/A	68.7	\$378.00	\$25,968.60
Anna Riviglia Filing Clerk (Toronto)	N/A	N/A	<i>Flat Rate</i>	\$75.00
Carlo Amoroso Filing Clerk (Toronto)	N/A	N/A	<i>Flat Rate</i>	\$150.00
BLENDED HOURLY RATE: [Excluding Paralegals]				\$693.15

**SECTION II
SUMMARY OF SERVICES**

SERVICES RENDERED	HOURS	FEES (CAD)
1. Litigation Consulting: CCAA Recognition Proceedings Providing consulting and expert witness services related to various bankruptcy matters such as insolvency, feasibility, avoiding actions; forensic accounting, etc.	394.4	\$262,812.70
2. Fee and Retention Application Preparation of employment and fee applications for self or others; motions to establish interim procedures	62.4	\$32,394.30
3. Litigation: Canadian Actions Other than Avoidance Action Litigation		
8. Litigation: General / All Class Actions Other than Avoidance Action Litigation		
SERVICE TOTALS	456.8	\$295,207.00

Note: Fees for No. 3 are allocated 33.33% to LTL and 66.67% to J&J, which allocation is reflected in the breakdown of amounts set out on page 1

**SECTION III
SUMMARY OF DISBURSEMENTS**

Matter No.	DISBURSEMENTS	AMOUNT (CAD)
1	Court Fee – Issuing Notice of Application	\$243.00
1	Court Fee – Filing Application Record, returnable April 13, 2023	\$339.00
1	Court Fee – Filing Motion Record, returnable April 24, 2023	\$339.00
1	Court Fee – Filing Motion Record, returnable May 1, 2023	\$339.00
	DISBURSEMENTS TOTALS	\$1,260.00

Note: Disbursements for matter No. 3 are allocated 33.33% to LTL and 66.67% to J&J, which allocation is reflected in the breakdown of amounts set out on page 1

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In re: LTL MANAGEMENT LLC, ¹ Debtor.	Chapter 11 Case No.: 23-12825 (MBK) Judge: Michael B. Kaplan Hearing Date: October 18, 2023

**FINAL FEE APPLICATION OF BLAKE, CASSELS & GRAYDON LLP
FOR ALLOWANCE OF FEES AND REIMBURSEMENT OF EXPENSES
INCURRED AS SPECIAL COUNSEL TO THE DEBTOR
FOR THE PERIOD FROM APRIL 5, 2023 THROUGH AUGUST 11, 2023**

Blake, Cassels & Graydon LLP (“**Blakes**”), special counsel to the Debtor, LTL Management LLC, hereby submits its Final Fee Application for Allowance of Fees and

¹ The last four digits of the Debtor’s taxpayer identification number are 6622. The Debtor’s address is 501 George Street, New Brunswick, New Jersey 08933.

Reimbursement of Expenses as Special Counsel to the Debtor for the Period from April 5, 2023 through August 11, 2023 (the “**Application**”), pursuant to 11 U.S.C. §§ 330 and 331 and the Compensation Order and the Dismissal Order (both as defined below). By this Application, Blakes seeks allowance of compensation in the amount of CAD \$295,207.00 for the period from April 5, 2023 through August 11, 2023 (the “**Compensation Period**”). Blakes further seeks allowance and reimbursement of its actual and necessary expenses in the amount of CAD \$1,260.00.

In support of this Application, Blakes respectfully states as follows:

BACKGROUND

The 2023 Chapter 11 Case and 2023 CCAA Recognition Proceeding

1. On April 4, 2023 (the “**Petition Date**”), the Debtor filed for protection under the Bankruptcy Code (the “**2023 Chapter 11 Case**”).
2. On April 12, 2023, the United States Bankruptcy Court of the District of New Jersey (the “**New Jersey Bankruptcy Court**”) entered an order authorizing the Debtor to act as Foreign Representative on behalf of its estate.
3. On April 13, 2023, the Foreign Representative sought and obtained from the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”), among other things, (i) an initial recognition order which recognizes the Debtor as the “foreign representative” and the 2023 Chapter 11 Case as a “foreign main proceeding”, as defined in section 45 of Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”) (the “**2023 Canadian Recognition Proceeding**”); and (ii) a supplemental recognition order appointing Ernst & Young Inc. as information officer in the 2023 Canadian Recognition Proceeding.
4. On April 18, 2023, the New Jersey Bankruptcy Court conducted a hearing on the Debtor’s motion for an order granting the relief with respect to a preliminary injunction seeking to enjoin certain talc-related claims against various protected parties.

5. On April 25, 2023, the New Jersey Bankruptcy Court granted the Debtor's motion in part, putting in place a limited preliminary injunction (the "**2023 Preliminary Injunction**") with respect to certain Modified Protected Parties (as defined in the 2023 Preliminary Injunction). The Canadian Court granted an order recognizing and enforcing the 2023 Preliminary Injunction in Canada on May 1, 2023.

6. On July 28, 2023, the New Jersey Bankruptcy Court rendered an opinion (the "**Dismissal Opinion**") dismissing the 2023 Chapter 11 Case.

7. On August 11, 2023, the New Jersey Bankruptcy Court entered an order (the "**2023 Dismissal Order**") to effectuate the dismissal of the 2023 Chapter 11 Case and address certain related matters.

8. A motion before the Canadian Court for recognition of the 2023 Dismissal Order is scheduled for September 19, 2023.

RETENTION OF BLAKES

9. By Order dated June 15, 2023 (the "**Retention Order**"), the Court authorized the retention of Blakes as special counsel to the Debtor, including its role as Foreign Representative, effective as of April 4, 2023. A true and correct copy of the Retention Order is annexed hereto as **Exhibit A**.

BLAKES' MONTHLY FEE STATEMENTS

10. In accordance with the procedures prescribed in the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Retained Professionals* dated May 22, 2023 (the "**Compensation Order**"), Blakes filed the following monthly fee statements during the Compensation Period:

Date	Fees	Holdback	Expense Reimbursement	Total Requested
First Monthly Fee Statement for the period April 5 to 30, 2023 [Dkt. 1101]	\$150,013.40	\$30,002.68	\$1,260.00	\$121,270.72
Second Monthly Fee Statement for the period May 1 to May 31, 2023 [Dkt. 1102]	\$60,881.30	\$12,176.26	\$0.00	\$48,705.04
Third Monthly Fee Statement for the period June 1 to June 30, 2023 [Dkt. 1248]	\$55,176.40	\$11,035.28	\$0.00	\$44,141.12
Fourth Monthly Fee Statement for the period July 1 to July 31, 2023 [Dkt. 1295]	\$22,433.20	\$4,486.64	\$0.00	\$17,946.56
Fifth Monthly Fee Statement for the period August 1 to August 11, 2023 [Dkt. 1336]	\$6,702.70	\$1,340.54	\$0.00	\$5,362.16

11. We understand that the Monthly Fee Statements have been served in accordance with the requirements of the Compensation Order, which provides for service on the US Trustee and the Debtor. As of the date of this Application, no party has objected to any of Blakes' Monthly Fee Statements.²

SUMMARY DESCRIPTION OF SERVICES DURING THE COMPENSATION PERIOD

12. By this Application, and in accordance with the Compensation Order, Blakes respectfully requests allowance of all fees sought in the Monthly Fee Statements for professional services rendered to the Debtor, in its capacity as the Foreign Representative in the Canadian Recognition Proceedings, in the amount of CAD \$295,207.00 for the Compensation Period. Blakes further

² The objection deadline for the Fourth and Fifth Monthly Fee Statements have not yet passed.

seeks allowance and reimbursement of its actual and necessary expenses in the amount of CAD \$1,260.00.

13. Blakes believes that the services rendered have conferred significant benefit to the 2023 Chapter 11 Case. Further, Blakes submits that its billing rates are reasonable and are consistent with the customary rates charged by similar Canadian firms for similar work to similar clients.

14. In accordance with Rule 2016-1 of the Local Rules for the District of New Jersey (the “**Local Rules**”) and the Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses by Attorneys in Larger Chapter 11 Cases (the “**UST Guidelines**”), included herewith are (a) a schedule setting forth all Blakes professionals and paraprofessionals who have performed services in this Chapter 11 Case during the Compensation Period, the capacities in which each individual is employed, the hourly billing rate charged, the aggregate number of hours expended during the Compensation Period and the fees billed, and the year in which each professional was called to the bar; (b) a summary of services by billing category for services rendered by Blakes during the Compensation Period; and (c) a schedule setting forth the actual and necessary disbursements that Blakes incurred during the Compensation Period in connection with the performance of professional services for the Debtor and for which it seeks reimbursement.

15. Annexed to this Application as **Exhibit B** are copies of the Invoices rendered to the Debtor providing detailed time records of Blakes’ services rendered during the Compensation Period and describing the nature of the services rendered each day, the time devoted to such services in increments of one-tenth of an hour, and the identity of all professionals and paraprofessionals performing the services.

16. As further described below, the Invoices are rendered using the following categories and internal matter numbers:

/1 Litigation Consulting – CCAA Recognition Proceedings:

This category includes all time and expenses relating to the Canadian Recognition Proceedings, including court attendances; preparation of court materials; communications with the Court, other stakeholders, other counsel, the Information Officer, etc.

/2 Fee and Retention Application:

This category includes all time and expenses relating to the retention of Blakes as special counsel to the Debtor. This category also includes any time and expenses incurred in connection with the monthly fee statements, including related communication.

/3 Litigation – Canadian Actions:

This category includes all time and expenses incurred in connection with the defence of the Debtor (directly or as successor to its corporate predecessor, referred to herein as “**Old JJCI**”) and certain non-debtor affiliates in the talc-related actions commenced in Canada. As any steps in these actions are taken by Blakes as counsel to the Debtor but also as counsel to two non-debtor affiliates, pursuant to the Retention Order, Blakes fees and expenses in this regard are allocated 33.33% to the Debtor and 66.67% to the non-debtor affiliates. As a result of the 2023 Preliminary Injunction and its recognition in the 2023 Canadian Recognition Proceeding, and the resulting stay of proceedings against the Debtor, no fees or expenses were incurred for this category during the Compensation Period on behalf of the Debtor. In connection with certain steps taken by plaintiff counsel in the talc litigation regarding the stay of proceedings, Blakes did expend some time addressing these matters, which time was recorded under matter /1 Litigation

Consulting – CCAA Recognition Proceedings. Any time expended on behalf of the non-debtor affiliates was billed directly to Johnson & Johnson, in accordance with instructions received on behalf of the Debtor and Johnson & Johnson.

/4 **Litigation – General:**

This category includes only time and expenses incurred in connection with the Canadian talc-related actions as a direct result of the restructuring of the Debtor and Old JJCI, the resulting requirements to change the style of cause in the Canadian talc-related actions, the commencement of the 2023 Chapter 11 Case, and related communication. As all such steps were completed during the 2021 Chapter 11 Case, no fees or expenses were incurred for this category during the current Compensation Period.

17. The hourly rates charged by Blakes are reasonable and reflect its conscientious efforts to have professionals with appropriate restructuring experience and/or knowledge of the Canadian talc litigation perform services whenever the complexities of the matter permitted. Further, the hourly rates charged reflect the reduced rate fee structure agreed with the Debtor's parent for the Canadian talc litigation, which reduced rate fee structure has been extended to the Debtor.

18. To assist the Court in evaluating the nature, extent, and reasonableness of the compensation requested, the following is a narrative summary of some of the more significant services rendered.

Canadian Recognition Proceedings

19. During the Compensation Period, Blakes monitored the Chapter 11 Case and attended various hearings in order to fully advise the Canadian Court.

20. Blakes consulted with counsel to the Information Officer and other interested parties regarding the dismissal of the Debtor's prior Chapter 11 case and the commencement of the 2023 Chapter 11 Case.

21. Blakes prepared the required court materials and obtained orders from the Canadian Court (i) dismissing the prior Canadian recognition proceeding; (ii) recognizing the 2023 Chapter 11 Case and commencing the 2023 Canadian Recognition Proceeding; and (iii) recognizing the 2023 Preliminary Injunction.

22. Blakes also worked with the Information Officer regarding correspondence to counsel for certain litigation plaintiffs and its reports to the Canadian Court to ensure it correctly reflects the status of the proceeding and the position of the Foreign Representative.

23. Blakes also provided comments on the draft plan and disclosure statement in the 2023 Chapter 11 Case to ensure it accurately reflected the 2023 Canadian Recognition Proceeding.

24. Blakes also communicated with the Information Officer regarding the 2023 Dismissal Order, its impact on the 2023 Canadian Recognition Proceeding, and determining next steps.

25. All time and expenses relating to the 2023 Canadian Recognition Proceeding are recorded and invoiced under category /1 Litigation Consulting: CCAA Recognition Proceedings. For this category, Blakes professionals expended 394.4 hours during the Compensation Period, for which Blakes seeks compensation of CAD \$262,812.70 in fees.

Fee and Retention Applications

26. During the Compensation Period, Blakes prepared its client disclosure schedule and retention application. It also prepared its supplemental certification and provided additional information in response to questions and requests from the US Trustee.

27. Blakes provided the Debtor with the requested estimates of monthly fees and reconciliation of compensation.

28. Blakes also prepared and finalized the Monthly Fee Statements noted above.

29. All time and expenses relating to Blakes' retention application, the monthly estimates, and the Monthly Fee Statements are recorded and invoiced under category /2 Fee and Retention

Applications. At all times, a paralegal has taken the lead role in order to keep costs to a minimum. For this category, Blakes professionals expended 62.4 hours during the Compensation Period, for which Blakes seeks compensation of CAD \$32,394.30.

CERTIFICATION OF COUNSEL

30. A Certification of Counsel is attached hereto as **Exhibit C**. Such Certification of Counsel includes the Statement of the Applicant contemplated by section C5 of the UST Guidelines.

COMPLIANCE WITH GUIDELINES

31. Blakes is a Canadian law firm and has strived to comply with the Local Rules and the UST Guidelines. To the extent there has not been material compliance with any particular rule or guideline, Blakes respectfully requests a waiver or an opportunity to cure.

Model Exhibits

32. The UST Guidelines reference certain model exhibits. Blakes has either included the requested information in an exhibit, included the requested information in the body of the Application, or provided an explanation to the extent it is unable to provide the requested information, as follows:

- (a) *Customary and Comparable Compensation Disclosures:* Blakes is a Canadian law firm and does not typically act in Chapter 11 cases; therefore, it is not in a position to provide meaningful comparable data for non-Chapter 11 cases. However, Blakes does not increase its standard hourly rates because a matter is a restructuring or insolvency case. For the 2023 Chapter 11 Case, and the 2023 Canadian Recognition Proceeding, as noted above, the revised reduced rate fee structure agreed with the Debtor's parent for the Canadian talc litigation has been extended to the Debtor, and is reflected in the amounts sought on the Application. As a result, the hourly rates are below our standard hourly rates.

- (b) *Summary of Timekeepers Included in this Fee Application:* See the Timekeeper Summary included at page iii.
- (c) *Budget and Staffing Plan:* See attached **Exhibit D**.
- (d) *Summary of Compensation Requested by Project Category:* See the Summary of Services included at page v.
- (e) *Summary of Expense Reimbursement Requested by Category:* See the Summary of Disbursements included at page v.
- (f) *Summary Cover Sheet of Fee Application:* See attached **Exhibit E**.

33. Blakes submits that the services for which Blakes seeks compensation were necessary, reasonable and appropriate and were for and beneficial to the Debtor and the 2023 Chapter 11 Case. The compensation requested is reasonable and is comparable to or less than customary compensation sought by comparably skilled professionals in similar cases. As noted above, the compensation sought is based on a reduced rate fee structure agreed with the Debtor's parent for the Canadian talc litigation, which reduced rate fee structure has been extended to the Debtor. As such, the hourly rates charged are in fact below Blakes' standard rates for similar services.

34. Blakes has received no payment and no promises for payment from any source for services rendered in connection with this case other than those in accordance with the Bankruptcy Rules. There is no agreement or understanding between Blakes and any other person for the sharing of compensation to be received for the services rendered in this case.

CONCLUSION

WHEREFORE, Blakes respectfully requests that this Court grant the Application and enter an Order (a) approving and allowing compensation for Blakes for its duly authorized, necessary and valuable services rendered to the Debtor during the Compensation Period in the aggregate amount of CAD \$295,207.00, together with reimbursement of actual out-of-pocket

disbursements in the amount of CAD \$1,260.00, for a total of CAD \$296,467.00; (b) directing the Debtor to pay the outstanding amounts in accordance with the priorities of the Bankruptcy Code; and (c) granting such other and further relief as the Court deems just and proper.

Dated: September 8, 2023
Toronto, Ontario

Respectfully submitted,

/s/ Linc Rogers

Linc Rogers

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Special Counsel to the Debtor